



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

DEC 07 1995

MEMORANDUM FOR DISTRIBUTION

Subj: PROBLEM DISBURSEMENTS

Encl: Review of Obligations Reporting Format

The Defense Finance and Accounting Service - Cleveland (DFAS-CL) has noted that significant problem disbursements are being generated because obligating documents are not promptly recorded in the official accounting system. Additionally, they have noted that we are slow to make obligation adjustments when the actual expenditure incurred for the goods or services exceed the original obligation.

Your staffs have been working diligently to reduce problem disbursements over the past two years. While we are making significant progress, an average monthly inflow of approximately \$1.4B detract from our apparent effort and does not allow for a significant overall reduction in total problem disbursements. Therefore, we must take all necessary actions to preclude the generation of problem disbursements.

To ensure that all obligations are recorded in the official accounting system, your staffs and the staffs of your subordinate activities should conduct a detailed review of obligation documents and ensure that they have been posted to the accounting system. We can no longer afford to wait until an expenditure is made to check for missing obligating documents. We must be proactive.

The detailed obligation review may involve your program management and contract management staffs as well as your Comptroller staffs. Your review should be completed by 31 January 1996 and you should conduct monthly reviews thereafter.

Please keep me apprised of your progress and findings by providing enclosure (1) to FMO 32. Enclosure (1) should be submitted by 9 February 1995 showing the results of your initial obligation review. Results of your subsequent reviews should be submitted on a quarterly basis. I appreciate your continued efforts to resolve problem disbursements.

Charles J. Commone

Principal Deputy
Assistant Secretary of the Navy
(Financial Management and Comptroller)

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Copy to:
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REVIEW OF OBLIGATIONS REPORTING FORMAT

Period Covered:

<u>Appropriations</u>	<u>No. of Doc Reviewed</u>	<u>Amt of Obl Reviewed</u>	<u>Amt of Obl Obligated</u>	<u>Amt of Obl Canceled</u>
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Comptroller Signature:

Date: